

Novo Nordisk Denmark A/S

Ørestads Boulevard 108, 2300 København S

Company reg. no. 38 18 00 45

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 15 April 2021.



Tomas Haagen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146 940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Statement by the Board of Directors and Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Novo Nordisk Denmark A/S for the financial year 1 January to 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

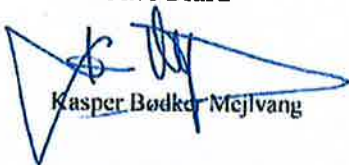
We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the Company's assets and liabilities and its financial position at 31 December 2020 and of the Company's results of its activities in the financial year 1 January to 31 December 2020.

In our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

The annual report is recommended for approval by the general meeting.

Copenhagen, 15 April 2021

Executive Board



Kasper Bødker Mejlvang

Board of directors



Frederik Kier
Chairman



Tomas Haagen



Morten Englund

Independent Auditor's Report

To the shareholders of Novo Nordisk Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Novo Nordisk Denmark A/S for the financial year 1 January to 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "*Auditor's responsibilities for the audit of the Financial Statements*" section of our report". We are independent of the Company in accordance with international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in the Management's Review.

Independent Auditor's Report

Management's Responsibilities for the Financial Statement

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for evaluating the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when preparing the financial statements, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Hellerup, 15 April 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31


Mads Melgaard
State Authorised Public Accountant
mns34364

Company information

The company

Novo Nordisk Denmark A/S

Ørestads Boulevard 108

2300 København S

Phone

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Company reg. no. 38 18 00 45

Established: 14 November 2016

Domicile: Copenhagen

Financial year: 1 January - 31 December

Board of directors

Frederik Kier, Chairman

Tomas Haagen

Morten Engelund

Managing Director

Kasper Bødker Mejlvang

Auditors

PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

Strandvejen 44, 2900 Hellerup

Financial highlights

DKK in thousands.	2020	2019	2018	2016/17
Profit and loss account:				
Revenue	330.145	363.936	341.939	317.443
Operating profit/loss	28.208	8.811	6.162	6.888
Net financials	-200	-511	87	198
Profit/loss for the year	21.278	5.252	4.213	5.379
Balance sheet:				
Total assets	584.971	149.608	130.040	124.799
Investments in property, plant and equipment	29.050	0	0	1.769
Equity	36.587	15.343	10.092	5.879
Employees:				
Average number of full time employees	152	65	69	52
Key figures in %:				
Operating margin	8,5	2,4	1,8	2,2
Gross margin	83,6	37,1	34,9	35,2
EBITDA-margin	4,5	2,4	1,9	2,2
Return on assets	7,8	6,3	4,8	5,5
Current ratio	107,0	111,5	108,1	104,4
Return on equity	81,9	41,3	52,8	91,5
Equity ratio	6,3	10,3	7,8	4,7

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

For 2020, Novo Nordisk Denmark A/S has implemented IFRS 16. As a result the annual report for the financial year of 2020 is presented in accordance with IFRS 16. This has led to an increase of assets before depreciation of T.DKK 11.694 and depreciations of T.DKK 3.103. Novo Nordisk Denmark A/S has chosen not to adjust the comparative figures with the implementation of IFRS 16. For 2020, Novo Nordisk has also implemented IFRS 15. The implementation of IFRS 15 has not given any effect for 2020 or the comparative figures.

The key figures appearing from the survey have been calculated as follows:

$$\text{Operating margin} = \frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$$

Financial highlights

Gross margin ratio

$$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$$

EBITDA-margin

$$\frac{\text{Earnings before interest, taxes and amortisations} \times 100}{\text{Revenue}}$$

Return on assets

$$\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Average assets}}$$

Current ratio

$$\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$$

Equity ratio

$$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$$

Return on equity

$$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$$

Management's review

Business review

Novo Nordisk Denmark A/S (secondary name Novo Nordisk Region Europe Pharmaceuticals A/S and Novo Nordisk North West Europe Pharmaceuticals A/S) is selling medicine in the treatment areas diabetes, obesity, growth and bleeding disorders as well as hormone replacement treatment. The company is located in Ørestad in Copenhagen, Denmark. Number of average employees has increased from 65 in 2019 to 152 in 2020 since the Danish organisation in Novo Nordisk Scandinavia AB has been transferred to Novo Nordisk Denmark A/S.

The impact from covid-19 has been limited since the need for medicine has been consistent. Production sites have been open during the year and we have been able to deliver the products to our patients. However, covid-19 resulted in lower travel activities as well as limited amounts of events and congresses.

Novo Nordisk Denmark A/S consist of the following three organisations:

The Danish sales affiliate

This unit was transferred from Novo Nordisk Scandinavia AB 1st of January 2020 and is now a part of Novo Nordisk Denmark A/S. Average number of employees in 2020 is 70. The unit is a fully operational sales affiliate with focus on the distribution of the medicine produced by Novo Nordisk A/S to patients in Denmark and Iceland. Novo Nordisk A/S (parent company) bears all the risks for launches and research & development, hence launch costs and R&D costs are invoiced to Novo Nordisk A/S as service fee including a mark-up for internal costs.

North West Europe regional office

Service company supporting the business areas/large affiliates in Europe (UK, France, Spain, Switzerland, Netherlands, Denmark, Sweden and business area North West Europe mid size). Average number of employees in 2020 is 66. All costs, both internal and external are invoiced to Novo Nordisk A/S as service fee including a mark-up for internal costs.

North West Europe mid size business area office

Service company supporting the affiliates in business area North West Europe mid size (Norway, Finland, Belgium, Austria, Portugal and Ireland). Average number of employees in 2020 is 17. All costs, both internal and external are invoiced to the affiliates in business area NWE mid size and to Novo Nordisk A/S.

Unusual matters having affected the financial statements

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have not been affected by any unusual matters.

Financial review

The revenue for the year is DKK 330.145.351 against DKK 363.935.810 last year. The results from ordinary activities after tax are DKK 21.277.960 against DKK 5.251.810 last year. The management consider the results satisfactory.

Management's review

Risks

The risks in the company is limited since Novo Nordisk A/S bears all the risks for launches and research & development. Hence all launch costs and R&D costs are invoiced to Novo Nordisk A/S. All costs, both internal and external, for the regional office and the business area office are (due to a service contract) invoiced to Novo Nordisk A/S or to the affiliates in business area NWE mid size.

Outlook

Expectations for the coming years are expected to have positive development in sales and to follow the budgets prepared by the Finance and Operations function. For further information on products in pipeline and other developments areas, please read the annual report for the Novo Nordisk Group.

Income statement 1 January - 31 December

All amounts in DKK.

Note	2020	2019
Revenue	330.145.351	363.935.810
Other operating income	492.015.498	112.489
Cost of sales	-283.762.991	-28.314.565
Other external expenses	-262.265.462	-200.847.324
Gross margin	276.132.396	134.886.410
2 Staff costs	-238.729.424	-125.898.522
Depreciation of property, plant and equipment	-9.195.358	-176.851
Profit before net financials	28.207.614	8.811.037
3 Financial income	822.093	398.140
4 Financial expenses	-1.021.898	-909.538
Profit before tax	28.007.809	8.299.639
5 Tax for the year	-6.729.849	-3.047.829
6 Profit for the year	21.277.960	5.251.810

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Assets			
7	Land and property	10.179.691	0
7	Fixtures and fittings, other plant and equipment	11.004.790	1.329.741
	Total property, plant, and equipment	21.184.481	1.329.741
	Total fixed assets	21.184.481	1.329.741
Non-fixed assets			
	Trade receivables	50.866.692	274.376
	Receivables from group enterprises	171.815.862	4.168.617
8	Deferred tax assets	2.395.620	998.202
	Corporate tax receivable	0	880.604
	Other receivables	3.861.493	5.870
9	Prepayments	8.372.917	4.789.060
	Total receivables	237.312.584	11.116.729
	Cash	326.474.370	137.161.043
	Total non-fixed assets	563.786.954	148.277.772
	Total assets	584.971.435	149.607.513

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
10	Share capital	500.000	500.000
	Retained earnings	15.087.365	14.843.476
	Proposed dividend for the financial year	21.000.000	0
	Total equity	36.587.365	15.343.476
Provisions			
11	Other provisions	2.599.242	1.261.926
	Total provisions	2.599.242	1.261.926
Liabilities other than provisions			
12	Lease liabilities	18.908.511	0
	Total long term liabilities other than provisions	18.908.511	0
	Trade payables	25.481.550	12.911.863
	Payables to group enterprises	375.870.174	37.286.109
	Corporate tax	6.954.098	0
	Other payables	118.570.495	82.804.139
	Total short term liabilities other than provisions	526.876.317	133.002.111
	Total liabilities other than provisions	545.784.828	133.002.111
	Total equity and liabilities	584.971.435	149.607.513

- 1 Accounting policies
- 13 Implementation of IFRS 16
- 14 Contractual obligations and contingencies, etc.
- 15 Related parties

Statement of changes in equity

All amounts in DKK.

	Share capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	500.000	9.591.666	0	10.091.666
Profit or loss for the year brought forward	0	5.251.810	0	5.251.810
Equity 1 January 2020	500.000	14.809.405	0	15.309.405
Profit or loss for the year brought forward	0	277.960	21.000.000	21.277.960
	500.000	15.087.365	21.000.000	36.587.365

1. Accounting policies

The annual report for Novo Nordisk Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year except for the accounting policies regarding IFRS 16, and the annual accounts are presented in Danish kroner (DKK).

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts for the higher-ranking parent company Novo Nordisk A/S.

Change of accounting policies regarding IFRS 16

For 2020, Novo Nordisk Denmark A/S has implemented IFRS 16. As a result the annual report for the financial year of 2020 is presented in accordance with IFRS 16. This has led to an increase of assets before depreciation of T.DKK 11.694 and depreciations of T.DKK 3.103. Novo Nordisk Denmark A/S has chosen not to adjust the comparative figures with the implementation of IFRS 16.

With effect from 1 January 2020, Novo Nordisk Denmark A/S consequently recognises right-of-use assets and lease liabilities at the commencement of the leasing arrangement. The assets are included as part of property, plant and equipment in note 7 and the liabilities as part of the leasing liabilities in note 12.

By adopting IFRS 16, Novo Nordisk Denmark A/S has applied the modified retrospective approach with no adjustment of the comparative figures as permitted by the Standard.

Novo Nordisk Denmark A/S has taken advantage of certain practical approaches available according to the standard. Therefore, previously concluded leases have not been reassessed at the date of implementation. Instead, the use allowance is set equal to the lease obligation adjusted for prepayments.

In addition, as part of the implementation, Novo Nordisk Denmark A/S has:

- applied a single discount rate to portfolios of leases with reasonably similar characteristics
- has assessed whether individual leases are onerous prior to applying the Standard
- has applied hindsight in determining the lease term if the contract contains options to extend or terminate the lease
- has not applied the capitalisation requirements of the Standard to leases for which the lease term ends within 12 months of the date of initial application.

Notes

1. Accounting policies (continued)

Novo Nordisk Denmark A/S will continue to report recognised assets and liabilities under leases within tangible fixed assets rather than show these as separate items on the balance sheet.

The adjustment made during 2020 has not affected the equity. See note 13 for the effect on the balance sheet as of 1 January 2020.

Recognition and measurement in general

The Financial Statements have been prepared under the historical cost method.

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translate in foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or recognition in the latest annual accounts of the amount owed or the liability recognised in the profit and loss account under financial income and expenses.

Notes

1. Accounting policies (continued)

Income statement

Revenue

Revenue consist of the net sales of pharmaceutical products sold to patients during the reporting period.

Other operating income

Other operating income is related to invoiced service fees to Novo Nordisk A/S and Novo Nordisk Healthcare AG which consist of the income from the rendering of services is recognised as revenue as the services are rendered.

Cost of sales

Costs of sales includes costs of goods sold.

Other external expenses

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing and reimbursements under the advance tax scheme, etc.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Notes

1. Accounting policies (continued)

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Fixed assets

Fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Fixtures and furniture, other plant and equipment	10 years

Leases

The enterprise will be applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

Notes

1. Accounting policies (continued)

The right-of-use assets is depreciated using the straight-line method over the lease term.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtor's domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprises prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash at bank and in hand.

Notes

1. Accounting policies (continued)

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Notes

All amounts in DKK.

	2020	2019
2. Staff costs		
Salaries and wages	194.036.248	103.917.040
Pensions	16.794.676	8.560.321
Other social security costs	1.096.631	563.050
Other staff costs	26.801.869	12.858.111
	238.729.424	125.898.522
Average number of full-time employees	152	65
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
Incentive programmes		
Management participates in Novo Nordisk A/S's incentive programme.		
3. Financial income		
Interest income, group entities	426.036	137.597
Other financial income	395.472	260.543
Tax-exempted interest	585	0
	822.093	398.140
4. Financial expenses		
Interest expenses, group entities	280.818	385.025
Other financial expenses	741.080	524.513
	1.021.898	909.538
5. Tax for the year		
Estimated tax charge for the year	8.127.268	2.231.614
Deferred tax adjustments in the year	-1.397.419	816.215
	6.729.849	3.047.829

Notes

All amounts in DKK.

	2020	2019
6. Proposed distribution of the results		
Dividend for the financial year	21.000.000	0
Retained earnings	277.960	5.251.810
Distribution in total	21.277.960	5.251.810
7. Property, plant and equipment		
	Land and property	Fixtures and fittings, other plant and equipment
Cost at 1. januar 2020	0	1.768.507
Acquisitions / Impact of implementation of IFRS 16	15.716.825	13.333.273
Retirement	0	-191.641
Cost at 31. december 2020	15.716.825	14.910.139
Impairment losses and depreciation at 1. januar 2020	0	438.766
Depreciation	5.537.134	3.466.582
Impairment losses and depreciation at 31. december 2020	5.537.134	3.905.348
Carrying amount at 31. december 2020	10.179.691	11.004.791
Lease assets are recognised at a carrying amount of	10.179.691	8.590.778
	2020	2019
8. Deferred tax assets		
Deferred tax assets 1 January	998.201	1.814.417
Deferred tax of the results for the year	1.397.419	-816.215
	2.395.620	998.202
9. Prepayments		
Prepayments include accrual of expenses relating to subsequent financial years, including payments for market data, congresses and software licenses.		

Notes

All amounts in DKK.

	2020	2019
10. Share capital		
Change in the share capital over the past 3 years		
Share capital 1 January	500.000	500.000
	<u>500.000</u>	<u>500.000</u>

The Company was founded 14. November 2016 and there has been no change in the share capital.

11. Other provisions

Other provisions comprise provisions for anniversary bonuses, totalling DKK 2.599.242.

12. Lease liabilities

Share of liabilities due within one year	8.640.574	6.299.404
Share of liabilities due between one and five years	10.267.937	13.398.922
Share of liabilities due after five years	0	0
	<u>18.908.511</u>	<u>19.693.326</u>

Notes

All amounts in DKK.

13. Implementation of IFRS 16

The implementation of IFRS 16 in Novo Nordisk Denmark A/S increased the company's right-to-use assets and lease liabilities. The impact on the adoption of IFRS 16 January 1, 2020 is shown below:

Minimum lease commitments	1 January 2020
Property	
Within one year	5.537.135
Between one and five years	4.642.556
Beyond five years	-
	<u>10.179.691</u>
Other fixtures and fittings, tools and equipment	
Within one year	3.103.440
Between one and five years	5.487.338
Beyond five years	-
	<u>8.590.778</u>
Total minimum lease commitments	
Low-value leases and short-term leases excluded	-
Discounted to present value	-
To be capitalised as right-of-use assets at 1 January 2020	<u>-</u>

Notes

All amounts in DKK.

14. Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Novo Nordisk A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2020 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 14 November 2017.

15. Related parties

Controlling interest

Related party

Novo Nordisk Region Europe A/S
Novo Alle 1
2880 Bagsværd
Denmark

Basis for control

Participating interest
Shareholders' agreement

Information about consolidated financial statement

Parent

Novo Nordisk A/S
Novo Alle 1
2820 Bagsværd

Requisitioning of the
parent company's
consolidated financial
statements:
www.novonordisk.dk

Other related parties

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.